

BIDEN UNVEILS G7'S \$600-BN INFRA PROJECT

Relevant for: International Relations | Topic: Effect of policies and politics of developed & developing countries on India's interests

The G7 group on Sunday announced an attempt to compete with China's formidable Belt and Road Initiative by raising \$600 billion for global infrastructure programmes in poor countries.

The Partnership for Global Infrastructure and Investment, unveiled with fanfare by U.S. President Joe Biden and G7 allies from Canada, Germany, Italy, Japan and the European Union, aims to fill a huge gap left as communist China uses its economic clout to stretch diplomatic tentacles into the furthest reaches of the world.

Mr. Biden said the target was for the U.S. to bring \$200 billion to the table, with the rest of the G7 another \$400 billion by 2027.

Funding the kinds of projects that China currently dominates — everything from roads to harbours in far-flung corners of the world — is not “aid or charity,” Mr. Biden said.

Highlighting the geostrategic thinking behind the G7 plan, Mr. Biden said such projects “deliver returns for everyone, including the American people and the people of all our nations.”

This is “a chance for us to share our positive vision for the future” and for other countries to “see for themselves the concrete benefits of partnering with democracies,” he said.

European Commission chief Ursula von der Leyen echoed this, saying “it is up to us to give a positive, powerful investment impulse to the world, to show our partners in the developing world that they have a choice.”

Although China was not referred to by name, the rivalry loomed large over the leaders' presentation, a relaunch of a first attempt at a Western infrastructure fund that Biden laid out during last year's G7 summit in Britain.

Private firms in key role

Unlike China's state-run BRI initiative, the proposed G7 funding would depend largely on private companies being willing to commit to massive investments and is therefore not guaranteed.

Meanwhile, the world powers on Sunday agreed to ban gold exports from Russia, at a G7 meeting designed to take fresh concerted action to deplete Moscow's war chest.

They are seeking to close ranks for Ukraine against Russia's invasion while grappling with the intensifying global fallout of the war.

“We have to stay together,” Mr. Biden told German Chancellor Olaf Scholz.

[Our code of editorial values](#)

END

CrackIAS.com